PHMC CONTRACT OVERVIEW

D. B. Van Leuven, President and Chief Executive Officer/(509) 376-3576

FFTF Solid Waste Cask



Stabilization Packaging in Glove box 642-C



K West Basins

Fuel Retrieval System





Canister Cleaner Operations



Loading Cask on Trailer at K West

Transfer of 242-A Evaporator



OVERVIEW

This section of the report is intended to provide management with an executive-level performance overview. Unless otherwise noted, all information is as of the end of May 2003.

Included in this section are descriptions of significant accomplishments considered to have made the greatest contribution toward safe, timely and cost-effective clean up; progress against the contract with RL; project cost summary analysis; overviews of safety and critical issues that identify the high-level challenges to achieving cleanup progress.

NOTABLE ACCOMPLISHMENTS

Spent Nuclear Fuel (SNF)

Fuel Movement Activities: The project successfully completed the Tri-Party Agreement (TPA) milestone M-34-27-T01 target date to ship 1,252 Metric Tons of Heavy Metal of spent nuclear fuel by May 31, 2003. This achievement was completed three days early and marks the removal of just over 60 percent of the fuel from the K Basins.

Fuel Transfer System (FTS): The project completed 24 FTS shipments (240 canisters) during May. As of June 16, 2003, a cumulative total of 123 FTS shipments (1,230 canisters) were completed. Operation of the

K East and K West FTS lift tables has improved significantly following an extensive maintenance and repair activity.

Site-wide Activities: A Memorandum of Understanding between Fast Flux Test Facility (FFTF), SNF Project, and Plutonium Finishing Plant (PFP) for management of fuel currently at FFTF and PFP was approved. SNF received the eighth of eighteen planned Shippingport spent fuel shipments from T Plant.

Central Plateau Remediation Project

200 Area Remediation: Completed the sludge removal from 233-S Building on June 9, 2003, allowing downgrade of hazard categorization from Category II to Radiological facility. This activity removes the requirement to maintain an authorization basis document and associated controls.

The Engineering Evaluation/Cost Analysis for the 224-B Building "Plug-in" approach was submitted to RL on May 12, 2003. This submittal is key to gaining regulatory approval for the decontamination and demolition strategy associated with the Plutonium Concentration Facility Performance Incentive (PI S-5).

Groundwater Management and Monitoring: Significant progress was made in resolving RL comments on the U Plant Canyon Disposition Initiative Focused Feasibility Study/Proposed Plan that will lead to approval by mid-June. This is an important PI endpoint document.

Submitted the Tri-Party Agreement (TPA) milestone M-15-40B, *Remedial Investigation Report for U Plant/Z Ditches*, for regulator review and approval on May 31, 2003.

NOTABLE ACCOMPLISHMENTS, CONTINUED

Plutonium Finishing Plant Project

Stabilization of Nuclear Materials

Metals, Alloys, Oxides and Polycubes: One hundred two oxide items were processed during the reporting period. As of May 25, 2003, 1,320 oxide items have been processed under the 2736-ZB fiscal year (FY) 2003 work scope. This surpassed the year-to-date goal by 17 items.

Residues: During May, 3,107 grams of oxide/Mixed Oxide were packed into pipe overpack containers.

Outer Can Packaging: Fifty-five 3013 containers were produced during this reporting period. Six Hundred Six total 3013 containers have been produced during this fiscal year, 72 containers ahead of the production baseline.

Fast Flux Test Facility Closure Project

Fuel Assemblies: Activities continued to remove fuel assemblies within 293 calendar days of RL Contracting Officer direction to proceed with deactivation. Fifteen of eighty-one assemblies were delivered to the Interim Examination and Maintenance Cell. Eight have been washed in the Sodium Removal System and loaded into a Core Component Container. The remaining seven assemblies are waiting to be washed.

Waste Management Project

Mixed Low Level Waste (MLLW) Treatment: Completed seven shipments totaling 113 cubic meters (m³) of MLLW debris and radioactive lead solids to ATG, Inc. (ATG). Received five MLLW shipments totaling 47 m³ (72 m³ pre-treatment volume) of macroencapsulated debris and radioactive lead solids from ATG.

Liquid Waste Processing: Operation of the 242-A Evaporator transitioned to CH2M HILL Hanford Group, Inc. on May 26, 2003. A contract is in place for FH to provide technical and operational support through June 30, 2003.

Safeguards and Security

Safe Secure Transport (SST) Protection: In anticipation of the accelerated de-inventory of the Plutonium Finishing Plant, Safeguards and Security reviewed and validated the protection afforded RL SST vehicles when they are temporarily staged at Hanford. A report and recommendations were provided to RL.

HAMMER

Education Award Received: On May 15, 2003, on HAMMER's behalf the Environmental and Waste Management Program Manager and HAMMER Director received the State of Washington's distinguished State Historic Preservation Officer's Award for Outstanding Achievement in Education.

Planning and Integration

FH Life-cycle Re-baseline: Support continued to sub-projects in development of their FH life-cycle baseline update due to RL on June 30, 2003. Planning and Integration continues to provide regular updates of baseline validation reports, validation team participation, development of the FH master (life-cycle) and critical path (contract period) schedules, and development of the electronic baseline displays.

NOTABLE ACCOMPLISHMENTS, CONTINUED

Environmental Compliance Program (ECP)

40 Code of Federal Regulations (CFR) 61 Subpart H Memorandum of Agreement (MOA): FH is pursuing a MOA between the U.S. Environmental Protection Agency (EPA) Region 10, Washington State Department of Health, and RL regarding implementing details of the new 40 CFR 61 subpart H radioactive air emissions stack sampling inspection and maintenance requirements. The MOA will document the EPA's expectation that RL must be in full compliance with the new requirements by December 31, 2003, or submit formal compliance agreements to the regulatory agencies.

Resource Conservation and Recovery Act of 1976 (RCRA) Permit Renewal: Meetings with RL, the Office of River Protection, and major Hanford contractors are continuing on development of checklists for Parts IV and V units in the RCRA Permit.

Systems Engineering and Integration (SEI)

FH Life-cycle Re-baseline: Work continued with the FH sub-projects in support of the June FH Life-cycle Re-baseline deliverable.

- Produced Work Breakdown Structure (WBS) dictionaries from the Hanford Site Technical Database and provided them to the FH sub-projects for review and comment. Changes were made to the format of the WBS dictionaries to clearly identify buildings, waste sites, Gold Metrics, and WBS interfaces.
- Completed Business Risk Management Framework (BRMF) analyses for selected FH sub-projects and provided results to the FH sub-projects for incorporation into the FH Life-cycle Re-baseline. Performed BRMF analysis on the infrastructure reliability projects and provided the results to Site Services management.
- Worked with RL, Pacific Northwest National Laboratory and FH sub-projects to align life-cycle planning for buildings consistent with the RL Baseline Update Guidance.

GOVERNMENT FURNISHED SERVICES/ITEMS (GFS/I)

Listed below are the near-term RL action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open GFS/I from prior periods) are shown. The "blue" text is hyper-linked to the current PHMC/RL contract at web site

\\AP001\HSTD\IRMS\CONTRACTS AND ACQUISITION\GFS GFI\SUMMARY\ALL GFS GFI.HTM.

NOTE: GFS/I data is as of June 23, 2003.

(Highlight: gold = PI Related, red = Late/Missed)

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal	FH Letter No. & Date Completed	Comments
GF0014	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.2 Maintain Safe and Compliant PFP Maintain Safe and Compliant PFP	• Plutonium Finishing Plant	DE-AC06- 96RL13200, C.2.2.1.2, Row 2, GFS/GFI 1 DE-AC06- 96RL13200, H.41, first sentence DE-AC06- 96RL13200, H.41, third sentence	Approve Approve revised authorization agreement within 42 days of submittal (FY2003) Commitment: 2 June 2003		Authorization Agreement for PFP (2003) Planned: 30 April 2003		ISSUE: GF0014 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03- AMI-0018
GF0017	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	• Plutonium Finishing Plant	DE-AC06- 96RL13200, C.2.2.1.2, Row 3, GFS/GFI 3 DE-AC06- 96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI				Ompliance w Odays of sub Completed: 23 September 2002	
GF0018	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	• Plutonium Finishing Plant	DE-AC06- 96RL13200, C.2.2.1.2, Row 3, GFS/GFI 4 DE-AC06- 96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI	plutoniu	m content m	nixed oxide	on Limit (ST s and Group ays of submi Completed: 27 February 2003	il alloys

Reference ID	SOW Section	WBS Scope	Responsi- bility	Requirement	GFS/GFI	RL Letter No./Date Completed	FH Submittal	FH Letter No./Date Completed	Comments
GF0022	Plutonium Finishing Plant (PFP)	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	• Plutonium Finishing Plant	GFS/GFI 5 DE-AC06- 96RL13200,	Obtain 9975 SARP Certificate of Compliance amendment allowing PFP 3013s. Commitment: 28 February 2003				ISSUE: GF0022 Key Item ISSUE: FH submitted letter to RL 3/4/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification is requested from RL reflecting the impacts. FH-0300950 ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI- 0018
GF0020	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM Disposition SNM	• Plutonium Finishing Plant	S-3, Attachment	Approve Supplement Analysis and Record of Decision amendment for PFP Weapon Grade and Fuel Grade material. Commitment: 28 February 2003				ISSUE: GF0020 Key Item ISSUE: FH submitted letter to RL 3/4/02, of RL's delay. Upon FH's receipt of the GFS, change by contract modification will be requested from RL reflecting the impacts. FH-0300952

Reference ID	SOW Section	WBS Scope	Responsi- bility	Requirement	GFS/GFI	RL Letter No./Date Completed	FH Submittal	FH Letter No./Date Completed	Comments
GF0024	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM Disposition SNM	• Plutonium Finishing Plant	DE-AC06- 96RL13200, C.2.2.1.2, Row 4, GFS/GFI 5 DE-AC06- 96RL13200, Section J, Appendix D, PI S-3, Attachment I, GFS/GFI	Obtain SAFKEG Certificate of Compliance. Commitment: 1 March 2003				ISSUE: GF0024 Key Item ISSUE: FH submitted letter to RL 3/5/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification is requested from RL reflecting the impacts. FH-0300969 ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03- AMI-0018
GF0039	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.5 Disposition PFP Facility Disposition PFP	• Plutonium Finishing Plant	DE-AC06- 96RL13200, C.2.2.1.2, Row 4, GFS/GFI 10 DE-AC06- 96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI	Approve STL(s) for discard of legacy Pu holdup within 60 days of submittal Commitment: 28 April 2003			FH-0300864 Completed: 27 February 2003	ISSUE: GF0039 Key Item ISSUE: FH submitted letter to RL May 22, 2003, of RL's delay. Upon FH's receipt of the GFS, a change is expected from RL, reflecting the impacts. FH- 0301988 FH-0301988
GF0030	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.5 Disposition PFP Facility Disposition PFP	• Plutonium Finishing Plant	DE-AC06- 96RL13200, C.2.2.1.2, Row 5, GFS/GFI 3 DE-AC06- 96RL13200, Section J, Appendix D, PI S-5, Attachment 3, GFS/GFI	Decision on PFP Transition Environmental Assessment within 180 days of submittal Commitment: 29 June 2003		PFP Transition Environmental Assessment (EA) Planned: 31 December 2002	FH-0206027 Completed: 31 December 2002	ISSUE: RL returned the draft EA until FH can determine the basis of justification for dose estimates. 0300944/03- PTD-0054 ISSUE: GF0030 Key Item

Reference ID	SOW Section	WBS Scope	Responsi- bility	Requirement	GFS/GFI	RL Letter No./Date Completed	FH Submittal	FH Letter No./Date Completed	Comments
GF0070	C.3.3 Waste Receiving and Processing Facility (WRAP)	WBS 3.3.2.4 TRU Program Perform TRU Processing	Waste Management	C.3.3, Row 3,	Approve MDSA/Safety analysis within 60 days of submittal. Commitment: 10 June 2003		Solid Waste Master Documented Safety Analysis Planned: 10 April 2003	FH-0301468 Completed: 7 April 2003	ISSUE: GF0070 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03- AMI-0018 ISSUE: RL response dated 5/15/2003 to FHI letters FH-0301468 & FH-0301468 & R1. RLexpects the MDSA will be approved by July 10, 2003 0302046/03- ABD-0078
GF0077	C.3.10 Low- Level Waste Burial Grounds (LLBG)	WBS 3.3.2.4 TRU Program Retrieve Suspect TRU from LLBG	• Waste Management	C.3.10, Row 3, GFS/GFI 2	Approve TRU retrieval safety analysis within 60 days of submittal. Commitment: 12 May 2003		TRU Retrieval Safety Analysis Planned: 27 February 2003	FH- 0301468R1 Completed: 7 March 2003	ISSUE: GF0077 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03- AMI-0018

Reference ID	SOW Section		Responsi- bility	Requirement	GFS/GFI	RL Letter No./Date Completed	FH Submittal	FH Letter No./Date Completed	Comments
GF0080	C.3.11 Mixed Waste Disposal Trenches (MWDT)	WBS 3.3.2.1 Solid Waste Storage and Disposal Disposition Low-Level Mixed Waste		DE-AC06- 96RL13200, C.3.11, Row 1, GFS/GF1 2 DE-AC06- 96RL13200, Section J, Appendix D, PI S-4, Attachment 2, GFS/GFI	Approve the 200 ETF Delisting Modification Petition for acceptance of unrestricted F039 multi- source leachate for Hanford's RCRA Subtitle-C disposal units. Commitment: 31 January 2003				ISSUE: GF0080 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI-0018 ISSUE: Impending impact, assuming date is missed, request recovery plan w/ revised date. (PI) S-4 (1b) FH-0300381 ISSUE: RL response dated 4/4/2003 to FHI letter FH-0300381. The existing public comment and comment resolution cycles lead towards an expected July 15, 2003, completion date for delisting petition. 0301510/03-PRO-0317
GF0081	C.3.11 Mixed Waste Disposal Trenches (MWDT)	WBS 3,3,2,1 Solid Waste Storage and Disposal Disposition Low-Level Mixed Waste		DE-AC06- 96RL13200, C.3.11, Row 1, GFS/GF1 3 DE-AC06- 96RL13200, Section J. Appendix D. PI S-4, Attachment 2, GFS/GF1	Approve disposal of the 183-H Basin waste in ERDF. Commitment: 31 March 2003				ISSUE: GF0081 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI- 0018 ISSUE: NOTIFICATION OF POTENTIAL TO MISS APPROVAL OF ENGINEERING EVALUATION & COST ANALYSIS TO ALLOW DISPOSAL OF 183H BASIN WASTE INTO DISPOSAL FACILITY FH-0300389 ISSUE: RL response dated 3/6/2003 to FHI letter FH- 0300389 with anticipated completion date schedule. 0301235/03-WMD- 0132

Reference ID	Section C.3.11	Scope WBS 3.3.2.9	Responsibility	Requirement	Approve the	RL Letter No./Date Completed	FH Submittal	FH-	Comments ISSUE:
	Mixed Waste Disposal Trenches (MWDT)	Waste Management Project Management & Support Provide Waste Management Services	Management	96RL13200, C.3.11, Row 1, GFS/GF1 7 DE-AC06- 96RL13200, Section J, Appendix D, PI S-4, Attachment 2, GFS/GFI	Master Documented Safety Analysis (MDSA/Safety Analysis) within 60 days of submittal. Commitment: 9 June 2003		Master Documented Safety Analysis Planned: 10 April 2003	0301468R1 FH-0301468 Completed: 7 April 2003	GF0085 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03- AMI-0018 ISSUE: RL response dated 5/15/2003 to FHI letters FH- 0301468 & FH- 0301468 R1. RLexpects the MDSA will be approved by July 10, 2003 0302046/03- ABD-0078
GF0092	C.5.1 Environment, Safety, Health and	WBS 6.10.1.5.2 Radiation Protection	• Safety & Health	DE-AC06- 96RL13200, C.5.1, Row 6, GFS/GFI 1	docu	mentation w	ithin 60 da	ol property r lys of receipt ject Plan mi	elease t or in
	Quality Assurance (ESH&Q)	Radiation Protection			Approve volumetric and real property release documentation within 60 days of receipt or in accordance with approved Project Plan milestones. Commitment: 10 April 2003		Authorized Limits for the Washington Nuclear Power Supply Plant (WNP)- 1 & WNP-4 Sites	FH-0205262AR Completed: 10 February 2003	This is an RL action for them to give us comments on our submittal to them of authorized limits for the release of the WNP 1/4 land. The request has been sent by RL to HQ. RL does not anticipate receiving approval or comments in the near future. This is not an impact to FHI, so we will not pursue it at this time. ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744/03-AMI-0018

CONTRACT DELIVERABLES

Listed below are the current FH contract deliverables. Only data for the next 30 days (including any open deliverables from prior periods) are shown. The "blue" text is hyper-linked to the current PHMC/RL contract at web-site

\\AP001\\HSTD\\IRMS\\CONTRACTS AND ACQUISITION\\CONTRACT DELIVERABLES\\SUMMARY\\ALL CONTRACT DELIVERABLES.\HTM.

NOTE: All contract deliverable data is as of June 23, 2003.

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0085	C.3.4 T-Plant	WBS 3.3.2.3 Solid Waste Treatment Facility Receive and Store SNF Sludge	• Waste Management		T Plant ready to receive the first canister of K Basin floor pit sludge (M-091- 20) Commitment: 31 December 2002 Planned: 31 December 2002				ISSUE: CD0085 Key Item Readiness Assessment completed 4/23/03. Washington State Dept. of Health 6/2/03 letter to RL stated T Plant was approved to operate as a major stack. Awaiting RL readiness-to-receive- authorization.
CD0098	C.4.2 Hanford	<u>WBS</u> 3.4.2.1	• Project Systems & Support	DE-AC06- 96RL13200,	Qua	rterly Repo	rt of Perso	onal Propert	y Sales
	Site Services	Landlord Services Asset Disposition (Investment Recovery Operations)		C.4.2, Row 2, Deliverable 2	Quarterly Report of Personal Property Sales (FY2003 Quarter 3) Planned: 20 July 2003				
CD0114	C.4.2 Hanford Site	WBS 3.4.6.2 FH Safeguards	Safety & Health	DE-AC06- 96RL13200, C.4.2, Row 41,	Nuclear M	aterial Acco	ountability (Monthly		1 Data Report
	Services	& Security Safeguards & Security		Deliverable 1	Nuclear Material Accountability Transaction Data Report (FY2003 June) Planned: 10 July 2003				Deliver to telecommunications via Classified Document Control by the 8th working day of the following month.

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0115	C.4.2 Hanford	<u>WBS</u> 3.4.6.2 FH	Safety & Health	DE-AC06- 96RL13200,	Nuc	lear Materi	al Balance	Report (Mo	onthly)
	Site Services	Safeguards & Security Safeguards & Security		C.4.2, Row 41, Deliverable 2	Nuclear Material Balance Report (FY2003 June) Planned: 15 July 2003				Deliver to telecommunications via Classified Document Control by the 15th day of the following month.
CD0122	C.4.2 Hanford	<u>WBS</u> 3.4.6.2 FH	Safety & Health	DE-AC06- 96RL13200,	Prot	ective Force	Strength	Report (Qua	arterly)
	Site Services	Safeguards & Security Safeguards & Security		ORL 13200, C.4.2, Row 41, Deliverable 5	Protective Force Strength Report (2003 3rd Quarter) Planned: 20 July 2003				Forwarded information to DOE-RL via e- mail.
CD0120	C.4.2 Hanford	WBS 3.4.6.2 FH	Safety & Health	DE-AC06- 96RL13200,	Quart	erly Catego	ry of Endi	ng Inventor	y Report
	Site Services	Safeguards & Security Safeguards & Security		C.4.2, Row 41, Deliverable 6	Quarterly Category of Ending Inventory Report (2003 3rd Quarter) Planned: 15 July 2003				Deliver to telecommunications via Classified Document Control by the 15th day of the following month following the quarter.
CD0119	C.4.2 Hanford	<u>WBS</u> 3.4.6.2 FH	Safety & Health	DE-AC06- 96RL13200,	Q	uarterly Cla	ssification	Officers Re	port
	Site Services	Safeguards & Security Safeguards & Security		C.4.2, Row 41, Deliverable 7	Quarterly Classification Officers Report (2003 3rd Quarter) Planned: 20 July 2003				Forward information to DOE-RL via e- mail.

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0116	C.4.2 Hanford Site	WBS 3.4.6.2	Safety & Health	DE-AC06- 96RL13200,	Statu	s Report on	DOE Find	lings (Quart	erly)
	Services Services	FH Safeguards & Security Safeguards & Security		C.4.2, Row 41, Deliverable 9 CRD O 470.1, Chg 1 (Supp Rev 1), Section C 2) e subpart 1	Status Report on DOE Findings - 3rd Quarter FY2003 Planned: 10 July 2003				Forward information to DOE-RL via e- mail.
				CRD O 470.1, Chg 1 (Supp Rev 1), Section C 2) e subpart 2					
CD0264	C.4.2 Hanford Site Services	WBS 3.4.2.1 Landlord Services	• Project Systems & Support	DE-AC06- 96RL13200, C.4.2, Row 52,	200E, 200		Area Dri (Monthly)	nking Water	r Report
		Utilities Operations and Maintenance Water Compliance and Sampling		Deliverable 4	200E, 200W, 300, 400 Area Drinking Water Report (2003, June) Planned: 10 July 2003				
CD0163	C.5.1 Environment,	WBS 3.4.1.2 Environmental	Regulatory Compliance	DE-AC06- 96RL13200,		Hanford Site	e Annual F	CB Report	
	Safety, Health and Quality Assurance (ESH&Q)	Compliance Environmental Protection	Compnance	C.5.1, Row 1, Deliverable 16	Hanford Site Annual PCB Document Report (CY 2002) Planned: 8 July 2003				
CD0288	C.5.1 Environment, Safety,	WBS 3.4.1.2 Environmental Compliance	Regulatory Compliance	DE-AC06- 96RL13200, C.5.1, Row 1,				Elimination port (Month	
	Health and Quality Assurance (ESH&Q)	Environmental Protection		Deliverable 18 CRD O 231.1, Chg 2, Section 12 DOE 5400.1, Chg 1, Chapter II, Section 4	National Pollutant Discharge Elimination System Discharge Monitoring Report (2003, May) Planned: 25 June 2003				

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0293	C.5.1 Environment, Safety,	WBS 6.5.10.1.1 Price	Regulatory Compliance	DE-AC06- 96RL13200, C.5.1, Row 3,	Quarterly			Notification ged Facilitie	
	Health and Quality Assurance (ESH&Q)	Anderson Amendment Act Nuclear Safety		Deliverable 2	Quarterly Update of the Startup Notification Report for Fluor Hanford Managed Facilities (2003 3rd Quarter) Planned: 20 July 2003				
CD0134	C.5.1 Environment, Safety, Health and Quality Assurance (ESH&Q)	WBS 6.10.1.5.1 OS&H Shared Services Occupational Safety & Health	Safety & Health	DE-AC06- 96RL13200, C.5.1, Row 4, Deliverable 3	Reporting	System Tab	ulation of	rized Accide Work Hours actions (Qua	and Vehicle
CD0179	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	Business Systems	DE-AC06- 96RL13200, C.5.3, Row 1, Deliverable 5	Contract Funds Status Report (June FY03) Planned: 20 July 2003	ntract Fund	ls Status R	eport (Mont	thly)
CD0271	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	Business Systems	DE-AC06- 96RL13200, C.5.3, Row 1, Deliverable 8	Depreciation Charges (FY2003 June) Planned: 10 July 2003	Depreciati	ion Chargo	es (Monthly)	

Reference ID	SOW Section	WBS Scope	Responsibility		Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0273	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	Business Systems	DE-AC06- 96RL13200, C.5.3, Row 1, Deliverable 10	Erroneous Payment Report (FY2003 3rd Quarter) Planned: 20 July 2003	rroneous Pa	yment Rep	oort (Quarte	rly)
CD0173	Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	Business Systems	DE-AC06- 96RL13200, C.5.3, Row 1, Deliverable 13				(FIS) Mana Ionth-End D	
CD0281	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	Business Systems	DE-AC06- 96RL13200, C.5.3, Row 1, Deliverable 19	Fluor Hanford, Inc., Cost Submittal FHXXXX (FY2003 June) Planned: 10 July 2003	ford, Inc., C	ost Submi	ttal FHXXX	X (Monthly)
CD0292	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	Business Systems	DE-AC06- 96RL13200, C.5.3, Row 1, Deliverable 21	Quarterly Reconciling Transfers (Transfers To and Transfers From) (FY2003 3rd Quarter) Planned: 15 July 2003		ing Transf ransfers Fr	ers (Transfe	rs To and
CD0294	C.5.3 Management Products and Controls		Business Systems	DE-AC06- 96RL13200, C.5.3, Row 1, Deliverable 22				ed to Susper) Number (N	nse Debits and Monthly)

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0284	C.5.3 Management	<u>WBS</u> 3.4.1.1	 Project Systems & Support 	DE-AC06- 96RL13200,		GFS/GF	I Report (Quarterly)	
	Products and Controls	Budget & Performance Analysis Baseline	З иррогі	C.5.3, Row 2, Deliverable 1	GFS/GFI Report (FY2003 3rd Quarter) Planned: 20 July 2003				
CD0260	C.5.3 Management Products and Controls	WBS 3.4.1.1 Budget & Performance Analysis Baseline	Project Systems & Support	DE-AC06- 96RL13200, C.5.3, Row 2, Deliverable 3	Letter to RL with notification of baseline availability on HANDI and a crosswalk from BCR FH-2003- 001 to new baseline Commitment: 30 June 2003 Planned: 30 June 2003				
CD0167	C.5.3 Management	<u>WBS</u> 3.4.1.1	• Project Systems & Support	DE-AC06- 96RL13200,		Revised	l Life-Cycl	le Baseline	
	Products and Controls	Budget & Performance Analysis Baseline	Биррол	C.5.3, Row 2, Deliverable 4	Revised Life- Cycle Baseline (FY2003) Commitment: 30 June 2003 Planned: 30 June 2003				
CD0285	C.5.3 Management	<u>WBS</u> 6.6.9.2.1	• Project Systems & Support	DE-AC06- 96RL13200,	Iı	nternal Aud	it Quarter	ly Status Re _l	port
	Products and Controls	Site Planning & Integration - SS Contract Reporting		C.5.3, Row 4, Deliverable 7	Internal Audit Quarterly Status Report (3rd Qurarter FY 2003) Planned: 20 July 2003				
CD0169	C.5.3 Management Products and	WBS 3.4.1.1 Budget &	Project Systems & Support	DE-AC06- 96RL13200, C.5.3, Row 4,	Project 1		nagement eport (Mor	Contract Penthly)	erformance
	<u>Controls</u>	Performance Analysis Contract Reporting		Deliverable 13	Project Hanford Management Contract Performance Report (5/2003) Planned: 8 July 2003				

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0195	C.5.4 Legal Services and Litigation Management	WBS 6.6.2.1.1 Legal Services Legal Services and Litigation Management	Business Systems	Litigation Management Plan (LMP), Litigation Management Plan (LMP) DE-AC06- 96RL13200, C.5.4, Row 1,	Quarterly RL Law Report (FY2003 3rd Quarter) Planned: 20 July 2003	Quarte	rly RL La	w Report	
CD0291	C.5.9 Direct Support to DOE/RL (Department of Energy, Richland Office)	WBS 6.6.2.1.1 Legal Services Emergency Preparedness - RL Support	Business Systems	DE-AC06- 96RL13200, C.5.9, Row 3, Deliverable 2	Quarterly Limited Emergency Preparedness Exercise Evaluation Reports (FY2003 3rd Quarter) Planned: 20 July 2003		mergency luation Re	Preparednese eports	ss Exercise
CD0203	C.5.9 Direct Support to DOE/RL (Department of Energy, Richland Office)	WBS 6.6.2.1.1 Legal Services Emergency Preparedness - RL Support	Business Systems	DE-AC06- 96RL13200, C.5.9, Row 3, Deliverable 4 DOE/RL-94-02, Section 14.2.4 DOE/RL-94-02, Section 14.2.4 DOE/RL-94-02, Section 14.2.4	Quarterly Emergency Management Metrics Data (FY2003 3rd Quarter) Planned: 20 July 2003	erly Emerge	ncy Mana	gement Metr	rics Data

FY 2003 SCHEDULE/COST PERFORMANCE (\$K)

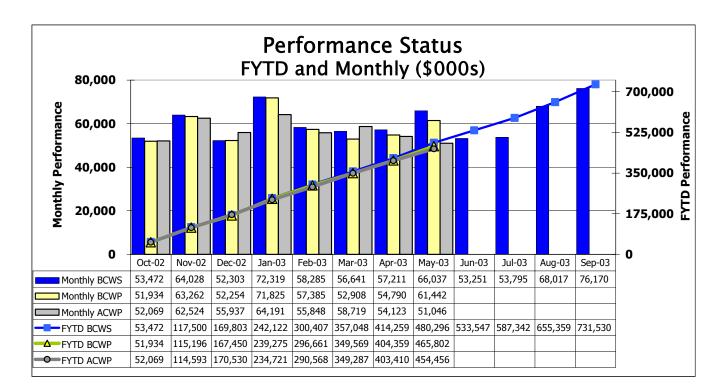
The following provides a brief synopsis of overall PHMC contract cost/schedule performance.

SCHEDULE PERFORMANCE: FYTD schedule performance reflects a -3% (-\$14,494K) unfavorable schedule variance. The established threshold is +/-10% or \$1M. The detailed schedule variances are discussed in the following sections: Spent Nuclear Fuel Project (Section B); Central Plateau Remediation (Section C); Plutonium Finishing Plant (Section D); Fast Flux Test Facility (Section E); Waste Management (Section F); Landlord and Site Services (Section G); Site Integration and Infrastructure (Section H); and Work for Others (Section I).

Cost Performance: FYTD cost performance reflects an 2%, or \$11,345K, favorable cost variance. The established threshold is +/-10% or \$1M. The detailed cost variances are discussed in the following sections: Spent Nuclear Fuel (Section B); Central Plateau Remediation (Section C); Plutonium Finishing Plant (Section D); Fast Flux Test Facility (Section E); Waste Management (Section F); Landlord and Site Services (Section G); Site Integration and Analysis (Section H); and Work for Others (Section I).

					1	1		
		Budgeted Cost	Actual Cost of		Schedule		Cost	
	Budgeted Cost of		Work	Schedule	Variance	Cost Variance		Budget At
Fiscal Year To Date (\$K)	Work Scheduled	Performed	Performed	Variance \$	%	\$	%	Completion
Spent Nuclear Fuel Project								
RL-RS03 Spent Nuclear Fuel	109,285	108,612	114,453	-673	-1%	-5,841	-5%	149,727
Central Plateau Remediation								
RL-CP01 200 Area Remediation	21,061	19,433	21,727	-1,628	-8%	-2,294	-12%	30,529
RL-RC06 300 Area Facility Transition	18,757	17,304	15,575	-1,454	-8%	1,728		21,554
RL-RS01 South Hanford Industrial Area Clean Up	170	144	111	-26	-18%	33	23%	253
RL-SC01 Near Term Stewardship	1,672	1,458	1,401	-215	-15%	56	4%	2,519
RL-SS03 Groundwater Management & Monitoring	13,296	12,357	11,523	-939	-8%	834	7%	22,283
RL-SS04 Groundwater/Vadose Zone Protection	2,349	2,152	2,047	-197	-9%	105	5%	3,347
Plutonium Finishing Plant								
RL-CP03 Plutonium Finishing Plant	67,723	65,134	65,506	-2,589	-4%	-372	-1%	110,083
Fast Flux Test Facility								
RL-RC03 Advanced Reactor Transition	990	925	882	-65	-7%	43	5%	2,225
RL-CP04 FFTF Project	25,702	24,886	25,162	-816	-3%	-276	-1%	38,428
Waste Management								
RL-CP02 200 Area Materials & Waste Mgm't	77,257	72,587	67,775	-4,670	-6%	4,812	7%	127,415
Site Integration and Infrastructure								
RL-SS01 Site Systems & Regulatory Analysis	10,368	10,368	7,913	0	0%	2,456		17,500
RL-SS02 Landlord & Site Services	43,629	42,408	34,264	-1,221	-3%	8,144	19%	71,364
RL-SS05 HAMMER	3,289	3,259	3,125	-30	-1%	134	4%	4,933
RL-SS-D Safeguards & Security	29,258	29,258	28,873	0	0%	385		44,407
Subtotal Sub-project Work scope	424,806	410,283	400,336	-14,524	-4%	9,947	2%	646,567
National Programs (T&P, WM)	704	704	611	0	0%	93	13%	945
RFS/DOE-Directed	8,070	8,064	6,716	-6	0%	1,347	17%	10,551
Work for Federal Agencies	4,001	4,001	3,957	0	0%	45	1%	7,787
Work for Non-Federal Agencies	287	287	191	0	0%	96	33%	1,419
Inter-DOE Work Orders	1,884	1,884	1,637	0	0%	247	13%	3,231
Work from PNNL	3,875	3,950	3,805	75	2%	144	4%	6,276
Work from BHI	1,440	1,440	1,269	0	0%	171	12%	2,048
Work from CH2M	34,924	34,885	35,687	-39	0%	-802	-2%	52,250
Other Work for Others	305	305	248	0	0%	57	19%	456
Subtotal Work For Others	55,490	55,519	54,121	29	0%	1,398	3%	84,963
Total FH Contract Work scope	480,296	465,802	454,457	-14,494	-3%	11,345	2%	731,530

FY 2003 SCHEDULE/COST PERFORMANCE STATUS, CONTINUED



MILESTONE PERFORMANCE

Milestones represent significant events in project execution. Milestones are established to provide high level visibility to critical deliverables and specific status on the accomplishment of these key events. Because of the relative importance of milestones, the ability to track and assess milestone performance provides an effective tool for managing the PHMC contract. FY 2003 milestone information is based upon the May 31, 2003 baseline including RL approved changes. Changes in both the number and type of milestones from month to month are the result of Baseline Change Requests (BCRs) approved during the year.

Fiscal year milestone performance (Enforceable Agreement [EA], U.S. Department of Energy-Headquarters [DOE-HQ], and RL) shows that eight milestones were completed on or ahead of schedule, one was completed late and six milestones are overdue.

		FISCAL YEA	R-TO-DATE	REMAINING SCHEDULED				
MILESTONE TYPE	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	Total FY 2003
Enforceable Agreement	6	1	1	5	3	2	0	18
DOE-HQ	1	0	0	0	0	0	0	1
DOE-RL	0	0	0	1	0	1	0	2
Total FH	7	1	1	6	3	3	0	21

MILESTONE PERFORMANCE, CONTINUED

The overdue enforceable agreement milestones are Tri-Party Agreement (TPA) Milestone M-34-08/S04-02-205, *Initiate Full Scale KE Basin Sludge Removal*, forecast to be complete July 31, 2003 (addressed in Section B); M-91-12A/WHM-03-015, *Treat 240 Cubic Meters by 12/31/2002* which has a letter of completion drafted; M-91-20/WMP-03-003, *T Plant ready to receive canister of K-Basin floor pit sludge* where the forecast is now June 13, 2003; and M-26-01M/WMP-03-010 *Submit annual Hanford Land disposal restrictions report forecast* was completed on May 10, 2003, but that completion date was entered into the source system until June 23, 2003 These last three are detailed in Section F. HQ milestone TRP-03-212 *Submit 200-CW-5 U Pond/Z Ditches Cooling Water Group RI Report* is forecast to be complete May 30, 2003 (addressed in Section C). The overdue RL milestone is S04-00-205, *CD4/Complete Operational Readiness Review sludge transfer from K Basins* is forecast to be complete July 21, 2003 (detailed in Section B).

SAFETY OVERVIEW

The focus of this section is to document trends in occurrences. Improvements in occurrence rates are due to the efforts of the PHMC workforce as they implement the Integrated Environmental Safety & Health Management System, work towards achieving Voluntary Protection Program "star" status, and accomplish work through Enhanced Work Planning. Safety and health statistical data is presented below. The safety charts are reported according to Occupational Safety and Health Administration (OSHA) standards.

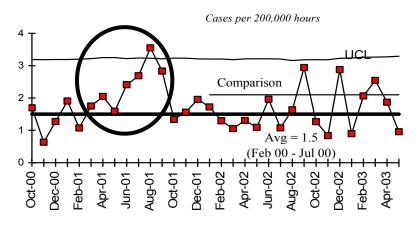
SIGNIFICANT SAFETY AND HEALTH EVENTS

OSHA Recordable Case Rate: The OSHA Recordable Rate remains stable at the 1.5 baseline average. FH has developed a Safety Improvement Program to continue improved safety performance through an accelerated clean up schedule.

Days Away From Work (DAFW) Case Rate: FH has accumulated 1,666,859 safe work hours since April 1, 2003. The DAFW baseline average remains at 0.12, less than DOE CY 2002 rate of 0.3.

DOE Safety Cost Index: The DOE Safety Cost Index has declined steadily for the past 5 months; two more decreasing months will be statistically significant. This is a positive response to the actions taken to control the rise in the DOE Safety Cost Index in prior months.

Total OSHA Recordable Case Rate

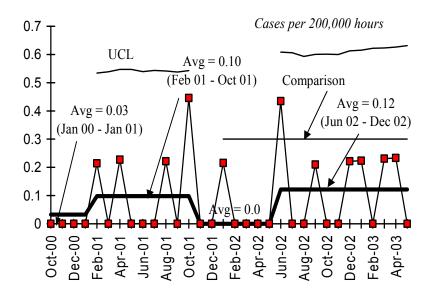


FY 2002 = 1.6 FY 2003 = 1.7 DOE Complex Comparison Average = 2.1 (CY02)

The FH Team OSHA Recordable Rate remains stable at the 1.5 baseline average.

Increased focus on workplace safety and project safety improvement plans is ongoing.

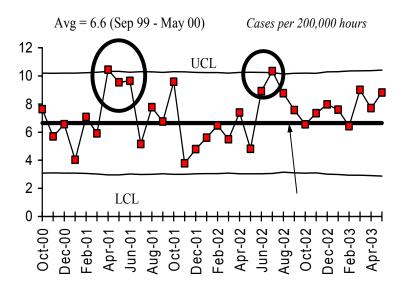
OSHA Days Away From Work Case Rate



FY 2002 = 0.11 FY 2003 = 0.11 DOE Complex Comparison Average = 0.30 (CY02)

The Safe Hours total is currently 1,666,859 hours. A case from March 2003 reclassified to DAFW in May 2003.

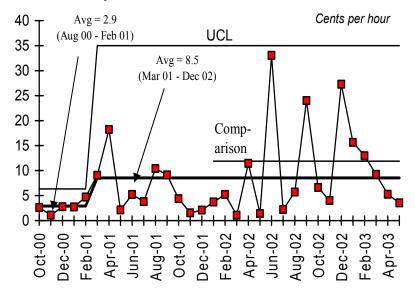
First Aid Case Rate



First Aid Rate undergoes seasonal cycles. Increases occur in warmer weather due to insect and animal encounters, and due to wind related minor injuries. Such an increase has occurred for 2002. Hanford is especially susceptible to wind borne debris injuries due to the site wildfire in June 2000. First Aid case rate has remained relatively predictable.

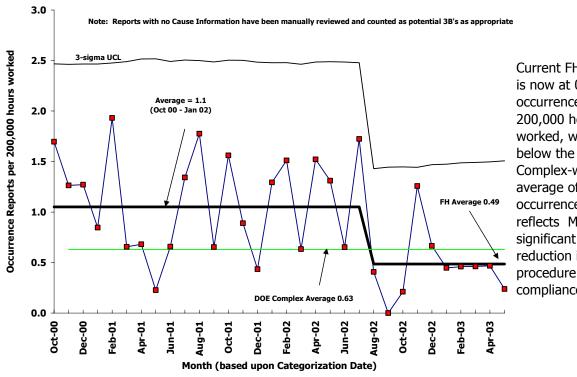
Fiscal year calculations are not included as DOE does not publish a comparison rate, and comparisons of partial fiscal year data to prior years would not be appropriate due to the routine cyclical trends in the data.

DOE Safety Cost Index



FY 2002 = 8.0FY 2003 = 10.6DOE Complex Comparison = 11.9 FH has reviewed past Restricted Work cases that are still incurring restricted time, and has referred several for medical reevaluation.

Procedure Non-Compliance (PHMC procedures not used or used incorrectly)



Current FH average is now at 0.49 occurrences per 200,000 hours worked, which is below the DOE Complex-wide average of 0.63 occurrences. This reflects May's significant statistical reduction in procedure noncompliance average

FY 2003 FH FUNDS VS. SPEND FORECAST (\$000)

This chart reflects the FH organizational structure. This breakout is necessary to provide FH project managers with information specific to their areas of responsibility and accountability and to facilitate effective management of the funds within their control (obligated to the PHMC).

		Funding	May FY 2003	Control Point			
Sub-project	PBS	Guidance FY 2003	Fiscal Year Spend Forecast	Project Completion	Post 2006	Other	
Spent Nuclear Fuel	RS03	\$164,498	\$165,090	(\$592)			
Central Plateau Remediation	RC06	\$18,488	\$18,547	(\$59)			
	RS01	\$153	\$221		(\$68)		
	CP01	\$33,124	\$32,871		\$253		
	SC01	\$2,439	\$2,345		\$94		
	SS03	\$21,089	\$20,465		\$624		
	SS04	\$3,217	\$3,223		(\$6)		
	Total CP	\$78,510	\$77,672	(\$59)	\$897		
Plutonium Finishing Plant	CP03	\$106,272	\$109,189	(\$2,917)			
Fast Flux Test Facility	CP04	\$38,172	\$38,172			\$0	
Advanced Reactor Transition	RC03	\$2,213	\$1,573			\$640	
Waste Management	CP02	\$111,350	\$112,466	(\$1,116)			
Landlord and Site Services	SS02	\$65,125	\$64,471	\$654			
Site Systems & Regulatory Analysis	SS01	\$15,253	\$15,253		\$0		
HAMMER	SS05	\$4,938	\$4,914		\$24		
Safeguards and Security	SS-D	\$47,982	\$44,600			\$3,382	
Su	\$634,313	\$633,400	(\$4,030)	\$921	\$4,022		
Anticipated Project/Functional Efficien	·	(\$4,030)	\$4,030		•		
	Total FH	\$634,313	\$629,370	\$0	\$921	\$4,022	

ISSUES

Spent Nuclear Fuel

SNF Project Sludge Water System – K East: TPA Milestone M-34-08 to begin K East sludge movement by December 31, 2002, is behind schedule. The contractor Operational Readiness Review started April 23, 2003. An operational pause was called on April 27, 2003, due to procedural deficiencies, technical basis deficiencies, and readiness preparation. The SNF Project continues to focus on the resolution of SWS technical issues and concerns associated with the operational pause. Corrective actions in operations, technical baseline verification, and Readiness Self Assessment verification are underway to support the declaration of readiness to resume the Contractor Operational Readiness Review before July 2, 2003, and the ultimate commencement of sludge removal by July 31, 2003.

Fuel Transfer System (FTS) Shipments: Removal of all K Basin fuel by July 31, 2004, is based upon the completion of FTS shipments by January 31, 2004. As of June 16, 2003, the project is 44 shipments behind schedule. The project continues to focus on resolving equipment failure issues, which are the primary source of FTS shipment delays. Operation of the K East and K West FTS lift tables has improved significantly following an extensive maintenance and repair activity.

ISSUES, CONTINUED

Central Plateau Remediation Project

233-S Building Decontamination & Demolition: The ability to complete this PI in this calendar year has been jeopardized by several factors requiring a revised plan. The decontamination of the building process cell has required a significantly higher level of effort and resources than originally planned and the removal of materials has lagged while the decontamination and characterization efforts continue. Additionally, the radiological control plan for open air demolition has been rewritten. A plan for recovery will be issued by July 31, 2003.

Plutonium Finishing Plant Project

Shipment of the first 3013 containers to Savannah River Site (SRS): PFP continues working with DOE (RL, HQ and SRS) to resolve and complete all activities needed to make the first shipment of material from PFP to SRS. FH's goal is to make one shipment in FY 2003 to verify readiness.

Waste Management Project

Receipt of Administrative Order on Washington Hazardous Waste Management Act and Dangerous Waste Regulation: Significant acceleration of retrieval, designation, treatment and certification of MLLW and Transuranic (TRU) waste is required. A stay request for section IIC(ii) expires on June 13, 2003. Other operations will be curtailed if an additional stay or other action is not granted. DOE filed an appeal to the Order on May 29, 2003, to the Pollution Control Hearings Board; however, terms of the Order remain in effect and are difficult, if not impossible, to meet based on current and planned waste retrieval, designation, treatment and certification capabilities for MLLW and TRU waste. Significant impacts include additional funding above the current baseline to execute new work scope and risk of being subject to enforcement by Ecology if the terms are not met.

T Plant Readiness to Receive K Basin Sludge: Readiness Assessment was completed April 23, 2003. Washington State Department of Health states in a June 2, 2003, letter to RL that "T Plant is approved to operate as a major stack." Readiness-To-Receive-Authorization from RL (requested by May 30, 2003) has not been received.

TRU Program Acceleration: Increase production rates for TRU waste certification and shipment to the Waste Isolation Pilot Plant (WIPP).

- Add bargaining unit resources at the Waste Receiving and Processing Facility to allow parallel TRU characterization efforts. Fifteen of 34 bargaining unit positions have been filled. Planning is on-going for adding the remaining 19 individuals this summer.
- Augment Headspace Gas analytical capability through use of the Idaho National Environmental and Engineering Laboratory. Procedure changes and implementation are expected to be in place by the end of July 2003.
- Certify the Sand Slag and Crucible (SS&C) waste stream and start shipments to WIPP in May 2003.
 The Waste Stream Profile Form was approved on schedule by the Carlsbad Area Field Office and the first SS&C shipment was completed on May 27, 2003. Three shipments were successfully completed in May 2003, and the remaining seven shipments are scheduled for June and July 2003.

ISSUES, CONTINUED

- Accelerated Process Line implementation: The non-destructive assay unit has arrived on site, and FH plans to accept the non-destructive examination unit in early June. Both units are being temporarily located outside the 2403 building at the Central Waste Complex until the modifications at 2404W-C are complete later this summer. RL has verbally indicated that FH can process drums through these units as part of their certification effort under the existing National Environmental Policy Act Categorical Exclusion. This still needs to be formally documented. The assay units have arrived and the x-ray units are scheduled to arrive in early June 2003.
- Implement solids sampling at PFP: Procedures and training need to be put in place in time for the June 16, 2003, audit. This effort is necessary to complete the characterization of existing (Hanford ash) and future S3000 Pipe Over-pack Containers generated by PFP. The sampling procedure has been drafted and the sampling equipment is in the procurement process.

Buried TRU Drum Retrieval: Initiate TRU drum retrieval by September 2003.

- The latest RL prediction of approval of Documented Safety Analysis is early June. Safety Evaluation Report implementation is on the project critical path.
- Approval to allocate personnel/resources to project: Staffing plan approved and hiring is proceeding. Bargaining unit positions are back on hold due to the SNF Project acceleration.
- Mobilize drum venting equipment/integrated demonstration by August 2003.
- Complete regulator negotiations and issue non-TRU waste interim storage plan (on hold pending outcome of Tri Party Agreement milestone M-91 litigation).
- Start Readiness Assessment (RA) contractor review by August 2003.
- Final DOE RA approval/startup initiated by September 2003.